Deutsche Bank Europe GmbH

Frankfurt am Main

Annual Financial Statements and Management Report 2012

(incl. Auditor’s Report)

Non-binding translation

Deutsche Bank Europe GmbH, Frankfurt am Main

Non-binding translation

Balance Sheet as of 31 Dezember 2012

Assets

		31/12/2012 €	31/12/2011 €
1.	**Cash Reserve**	**0.00**	**10,177,093.30**
	a) cash on hand	0.00	4,736,803.36
	b) balances with central banks	0.00	5,440,289.94
	thereof: with Deutsche Bundesbank	**0.00**	0.00
	c) balances with postal giro office ('Postgiroämtern')	**0.00**	0.00
2.	**Receivables from banks**	**95,637,583.60**	**11,662,025,702.37**
	a) payable on demand	95,537,583.60	774,899,166.77
	b) other receivables	100,000.00	10,887,126,535.60
3.	**Receivables from customers**	**15,500.92**	**63,023,528.81**
	thereof:		
	secured by mortgages	0.00	1,450,669.38
	loans to or guaranteed by public-sector entities	0.00	0.00
4.	**Bonds and other fixed income securities**	**0.00**	**14,782,960.00**
	a) money market instruments	0.00	0.00
	aa) of public-sector issuers	0.00	0.00
	thereof: eligible as collateral for Deutsche Bundesbank advances	0.00	0.00
	ab) of other issuers	0.00	0.00
	thereof: eligible as collateral for Deutsche Bundesbank advances	0.00	0.00
	b) bonds and notes	0.00	14,782,960.00
	ba) of public-sector issuers	0.00	0.00
	thereof: eligible as collateral for Deutsche Bundesbank advances	0.00	0.00
	bb) of other issuers	0.00	14,782,960.00
	thereof: eligible as collateral for Deutsche Bundesbank advances	0.00	0.00
5.	**Equity shares and other variable-yield securities**	**0.00**	**683,870.27**
6.	**Participating interests**	**0.00**	**1,153,000.00**
	thereof: in banks 0.00 EUR		
	thereof: in financial services institutions 0.00 EUR		
7.	**Intangible assets**	**0.00**	**9,517,367.15**
	a) self-developed intangible assets	0.00	8,940,254.61
	b) purchased intangible assets	0.00	577,112.54
	c) goodwill	0.00	0.00
	d) down-payments for intangible assets	0.00	0.00
8.	**Tangible assets**	**0.00**	**13,182,473.34**
9.	**Other assets**	**593,266.71**	**33,255,478.69**
10.	**Deferred tax assets**	**206,897.19**	**7,124,128.37**
11.	**Overfunded plan assets**	**0.00**	**9,524,000.00**
		96,453,248.42	11,824,449,602.30

Liabilities

		31/12/2012 €	31/12/2011 €
1.	**Liabilities to banks**	**1,051,572.78**	**736,745,796.10**
	a) repayable on demand	951,572.78	129,857,254.72
	b) with fixed term or agreed notice period	100,000.00	606,888,541.38
2.	**Liabilities to customers**	**30,010.81**	**10,546,617,539.48**
	a) savings deposits		
	aa) with agreed notice period of 3 months	0.00	0.00
	ab) with agreed notice period of more than 3 months	0.00	0.00
	b) other liabilities		
	ba) repayable on demand	970.31	10,325,785,320.38
	bb) with fixed term or agreed notice period	29,040.50	220,832,219.10
3.	**Other liabilities**	**30,835.24**	**24,137,276.37**
4.	**Provisions**	**282,005.05**	**36,312,191.46**
	a) provisions for pensions and similar obligations	0.00	0.00
	b) provisions for taxes	0.00	730,645.28
	c) other provisions	282,005.05	35,581,546.18
5.	**Fund for general banking risks**	**0.00**	**7,932,593.00**
6.	**Capital and reserves**	**95,058,824.54**	**472,704,205.89**
	a) subscribed capital	6,020,000.00	6,020,000.00
	b) capital reserve	56,780,919.93	448,710,726.87
	c) revenue reserves	0.00	0.00
	d) distributable profit	32,257,904.61	17,973,479.02
		96,453,248.42	11,824,449,602.30

		31/12/2012 €	31/12/2011 €
1.	**Contingent liabilities**		
	a) contingent liabilities from rediscounted bills of exchange	0.00	0.00
	b) liabilities from guarantees and indemnity agreements	0.00	7,209,318.43
	c) liability arising from the provision of collateral for third-party liabilities	0.00	0.00
2.	**Other obligations**		
	a) repurchase obligations under agreements to sell securities with an option to repurchase them	0.00	0.00
	b) placement and underwriting obligations	0.00	0.00
	c) irrevocable loan commitments	0.00	134,845,253.15

Deutsche Bank Europe GmbH
Frankfurt am Main, 7 March 2013

Original German version signed by: Nikolaus von Tippelskirch Carmen Herbstritt Jörg Klauke Frank Rückbrodt

Non-binding translation

Income Statement of Deutsche Bank Europe GmbH, Frankfurt am Main
for the period from 1 January to 31 December 2012

Expenses

	01.01. - 31.12.2012 €	01.01. - 31.12.2011 €
1. Interest expenses	**110,945,190.57**	**93,144,000.77**
2. Commission expenses	**5,448,803.99**	**13,935,829.34**
3. Administrative expenses	**96,252,366.97**	**84,532,984.48**
a) staff expenses	40,829,134.77	36,192,077.96
aa) wages and salaries	29,019,768.11	23,718,735.09
ab) compulsory social security contributions and expenses for pensions and other employee benefits	11,809,366.66	12,473,342.87
thereof: for pensions € 7.300.195,93 (previous year: € 1.834.952,78)		
b) other administrative expenses	55,423,232.20	48,340,906.52
4. Depreciation, amortization and write-downs of and value adjustments to tangible and intangible assets	**2,593,792.84**	**2,646,839.07**
5. Other operating expenses	**4,028,692.52**	**15,946,558.71**
6. Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses	**1,882,319.82**	**9,608,737.04**
7. Income taxes (previous year revenues)	**2,498,852.82**	**-2,799,164.77**
thereof: profit/loss related to the change in deferred taxes	0.00	-7,052,679.94
8. Other taxes, unless reported under "Other operating expenses"	**0.00**	**3,947,289.55**
9. Net income	**14,284,425.59**	**18,318,446.45**
	237,934,445.12	**239,281,520.64**

Income

	01.01. - 31.12.2012 €	01.01. - 31.12.2011 €
1. Interest income from	**178,180,697.36**	**161,979,303.91**
a) lending and money market business	178,053,548.67	159,600,677.38
b) fixed-income securities and government-inscribed debt	127,148.69	2,378,626.53
2. Current income from	**8,882.43**	**515,052.90**
a) equity shares and other variable-yield securities	8,804.14	112,100.00
b) participating interests	0.00	28,934.00
c) investments in affiliated companies	78.29	374,018.90
3. Commission income	**56,420,336.18**	**60,121,677.78**
4. Income from reversals of write-downs of loans and advances and certain securities, and from reversals of loan loss provisions	**33,244.42**	**4,008,748.20**
5. Income from the reversal of write-downs on investments, interests in affiliated companies and securities treated as fixed assets	**254,735.45**	**0.00**
6. Other operating income	**3,036,549.28**	**12,656,737.85**
	237,934,445.12	**239,281,520.64**

	€	€
1. Net income	**14,284,425.59**	**18,318,446.45**
2. Profit carryforward from the previous year	**17,973,479.02**	**-344,967.43**
	32,257,904.61	**17,973,479.02**
3. Distributable profit	**32,257,904.61**	**17,973,479.02**

Deutsche Bank Europe GmbH
Frankfurt am Main, 7 March 2013

Original German version signed by: Nikolaus von Tippelskirch Carmen Herbstritt Jörg Klauke Frank Rückbrodt

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Notes for the financial year 2012

Deutsche Bank Europe GmbH,
Frankfurt am Main

A. Comments and legal principles

The company was founded as Projektgesellschaft DB Europe mbH on 18 February 2010 and registered under HRB 87506 in Commercial Register B at the District Court of Frankfurt am Main on 24 February 2010. On 18 October 2010, the German Federal Financial Supervisory Authority (BaFin), Bonn, granted DB Europe GmbH the requested license pursuant to § 32 (1) KWG of the German Banking Act to perform banking transactions and financial services. The amendment of the Company Agreement with regard to section 1 (Company) and section 2 (Object of the Enterprise) was approved at the shareholders' meeting held on 25 October 2010. The changes were entered in the Commercial Register of the District Court of Frankfurt am Main on 29 October 2010. Since then, the company operates under the name Deutsche Bank Europe GmbH (hereinafter "DB Europe" or the "Company").
In the financial year, as part of a cross-border merger, the business of former IFN Finance B.V., Rotterdam (Netherlands) was taken over and continued from the Netherlands branch of DB Europe. The spin-off of the business of the branches in Belgium and the Netherlands to Deutsche Bank AG was performed on 26 and 30 November 2012 with effect as from 31 July 2012. The branches were closed in 2012.

The **annual financial statement** of DB Europe GmbH, Frankfurt am Main, has been prepared in accordance with the regulations of the German Commercial Code (in particular, §§ 340 ff. HGB) in conjunction with the German Accounting Ordinance for Banks and Financial Service Institutions(RechKredV) and in accordance with the appropriate standards of the law on limited liability companies (GmbHG).

B. General information on the accounting, valuation and recording methods used

When **valuing** the assets and liabilities recorded in the financial statement, the general valuation principles (§§ 252 ff. HGB) and also the special valuation principles of § 340e HGB that apply to banks were complied with. The offset options for certain expenses and income provided pursuant to § 340f HGB were not used.

In accordance with § 246 (2) (2,3) HGB, the netting of plan assets and pension provisions is prescribed by law. In addition to “reserves”, offsetting also relates to “shares in affiliated companies”. The remaining excess of assets over pension liabilities will be shown as a separate position from now on.

Cash reserve is reported with the nominal value.

Receivables from banks and customers are reported at their nominal amount or at amortized costs. Necessary impairments are deducted. Other assets are recorded at nominal value.

Provisioning for loan losses comprises impairments and provisions for all identifiable credit and country risks, for inherent default risks and the provision for general banking risks. The inherent default risk is taken into account by general value allowance according to commercial law principles.

Bonds and other fixed-income securities, for which the intent is to hold them permanently, are allocated as financial assets to the investment portfolio and accounted for using the moderate lower-of-cost-or-market rule. This means that the securities are recognized at acquisition costs less other than temporary impairment.

If bonds and other fixed-income securities are neither intended to serve the business operation permanently nor allocated to the trading portfolio, they are allocated as current assets to the liquidity reserve and accounted for using the strict lower-of-cost-or-market rule, with their acquisition costs or with the lower quoted market respectively attributable values.
In the case of the securities, write-ups are made up to the amortized acquisition costs if the reasons for certain write-downs made in the past no longer exist (requirement to reinstate original values).

Tangible assets and **intangible assets** are recorded with their acquisition or manufacturing costs less any depreciation or amortization. Self-developed trademarks, mastheads, publishing rights, customer lists or similar intangible assets are not recognized.
Write-downs are made for any impairment that is likely to be permanent.
If the reasons for certain write-downs made in the past no longer exist, write-ups are made up to the amortized acquisition cost's maximum.
Low-value assets are fully written down in the year of acquisition.

Liabilities to banks, **liabilities to** customers and **other liabilities** are recognized at their settlement amount..

Provisions for pensions and similar obligations are recognized according to actuarial principles. Pension provisions are calculated according to the projected unit credit method, using the average market interest rate published by the Deutsche Bundesbank, which is based on an assumed remaining term of 15 years unless the corresponding remaining term of the pension plan is shorter. The provision for pensions and similar obligations are valued at their present fair value and offset with the assets that are used exclusively to settle these obligations. Overfunded obligations are recognized on the balance sheet as a net asset after offsetting provisions.

Other provisions for uncertain liabilities or for onerous contracts (excluding trading activities) are recognized at their expected settlement amount applying the principles of prudent commercial judgment. Provisions for uncertain liabilities are discounted if the related cash outflows are not expected to arise within twelve months after the balance sheet date.

Deferred tax assets and **deferred tax liabilities** on temporary differences between the accounting and tax base for assets, liabilities and accruals are offset against each other and presented net on the balance sheet as either deferred tax assets or deferred tax liabilities. In determining deferred tax assets unused tax losses are taken into account, but only to the extent that they can be utilized within the following five years.

The **currency conversion** follows the principles of § 256a and 340h HGB. Assets denominated in foreign currency and treated as fixed assets, but not separately covered in the same currency, are shown at historical cost unless the change in the foreign currency rate is other than temporary so that the assets have to be written down. Other foreign currency denominated assets and liabilities and outstanding cash deals are translated at the mid spot rate at the balance sheet date, and forward exchange deals at the forward rate at the balance sheet date. The results from currency translation are recognized in the income statement.

C. Notes on individual items of the balance sheet and the profit and loss statement

As the result of the spin-off of the business of the branches in Belgium and the Netherlands, only a limited comparison with prior year's income statement is possible.

I. Balance sheet as of 31 December 2012

1. Assets

The **receivables from banks** include bank deposits payable on demand of EUR 95,537,583.60 (prior year EUR 774,899,166.77) and also other receivables of EUR 100,000.00 (prior year EUR 10,887,126,535.60), including accrued interest. The receivables from banks only relate to receivables from Deutsche Bank AG, Frankfurt am Main.

The **receivables from customer** of EUR 15,500.92 (prior year EUR 63,023,528.81), including accrued interest, are private customer loans relating to customers in Germany. No provision formed pursuant to § 340f HGB is included as of the balance sheet date (prior year EUR 1,365,241.00).

No **bonds and other fixed income securities** existed on the balance sheet date (prior year EUR 14,782,960.00).

No **tangible assets** existed at the end of 2012. The complete inventory of intangible assets and tangible assets was transferred to Deutsche Bank AG as part of the spin-off of the branches in Belgium and the Netherlands.

Other assets of EUR 593,266.71 (prior year EUR 33,255,478.69) include tax claims of the former branch in Budapest (Hungary).

The **deferred tax assets** of EUR 206,897.19 (prior year EUR 7,124,128.37) refer to tax loss carry forwards taking into account the expected loss utilization within the next five years. The deferred tax is calculated on the basis of the combined income tax rate of DB Europe GmbH, currently 31.93%. The combined income tax rate includes corporation tax, trade tax and solidarity surcharge.

Active difference resulting from asset offsetting does not exist at the balance sheet date (prior year EUR 9,524,000.00).

2. Liabilities

Liabilities to banks include liabilities payable on demand of EUR 951,572.78 (prior year 129,857,254.72) and term deposits of EUR 100,000.00 (prior year 606,888,541.38) including accrued interest.

The **liabilities to customers** are deposits of EUR 970.31 payable on demand (prior year EUR 10,325,785,320.38) and term deposits (term < 1 year) of EUR 29,040.50 (prior year EUR 220,832,219.10), including accrued interest.

On the balance sheet date, the **other liabilities** include unpaid invoices and commissions relating to the operating business of EUR 30,835.24 (prior year EUR 17,001,148.82).

There were no **provisions** for corporation tax and value added tax as of the balance sheet date (prior year EUR 730,645.28). The **other provisions** are mainly related to provisions for business operation of EUR 282,005.05 (prior year EUR 35,581,546.18).

The subscribed **capital** of EUR 6,020,000.00 (prior year 6,020,000.00) is fully paid in and is held exclusively by Deutsche Bank AG, Frankfurt am Main. As the result of the spin-off of the business of the branches in Belgium and the Netherlands, the company's capital reserve decreased to EUR 56,780,919.93 (prior year EUR 448,710,726.87). The distributable profit of the 2012 financial year of EUR 32,257,904.61 (prior year EUR 17,973,479.02) had a positive effect on the capital.

3. Balance sheet notes

There were no **contingent liabilities** as of reporting date 31 December 2012 (prior year EUR 7,209,318.43).

There were no **other obligations** as of reporting date 31 December 2012 (prior year EUR 134,845,253.15).

4. Maturity Structure

Receivables from banks	31.12.2012	31.12.2011
	EUR	EUR
with a residual period of		
up to three months	95,537,583.60	3,575,419,705.55
more than three months and up to one year	100,000.00	2,858,604,663.69
more than one year and up to five years	0.00	3,496,668,003.41
more than five years	0.00	1,731,333,329.72
Total	**95,637,583.60**	**11,662,025,702.37**

Receivables from customers[1]	31.12.2012	31.12.2011
	EUR	EUR
with a residual period of		
up to three months	10,506.61	26,796,625.26
more than three months and up to one year	4,994.31	11,347,221.57
more than one year and up to five years	0.00	22,195,590.35
more than five years	0.00	4,049,332.63
Total	**15,500.92**	**64,388,769.81**

[1] without HGB 340f reserves

Liabilities to banks with fixed term or agreed notice period	31.12.2012	31.12.2011
	EUR	EUR
with a residual period of		
up to three months	0.00	688,541.38
more than three months and up to one year	100,000.00	3,300,000.00
more than one year and up to five years	0.00	602,900,000.00
more than five years	0.00	0.00
Total	**100,000.00**	**606,888,541.38**

Liabilities to customers with fixed term or agreed notice period	31.12.2012	31.12.2011
	EUR	EUR
with a residual period of		
up to three months	10,040.50	43,250,435.93
more than three months and up to one year	19,000.00	56,081,148.96
more than one year and up to five years	0.00	114,362,717.95
more than five years	0.00	7,137,916.26
Total	**29,040.50**	**220,832,219.10**

5. Breakdown of the receivables and liabilities relating to affiliated companies

Receivables and liabilities relating to affiliated companies are included in the following balance sheet items:

	31.12.2012 EUR	**31.12.2011** EUR
Receivables from banks		
a) payable on demand	95,537,583.60	774,130,370.72
b) other receivables	100,000.00	10,887,126,535.60
Liabilities to banks		
a) payable on demand	951,572.78	129,857,254.72
b) with fixed term or agreed notice period	100,000.00	606,888,541.38

II. Income statement for the period from 1 January to 31 December 2012

The income statement for the financial year is characterized by the cross-border merger of the former Deutsche Bank subsidiary, IFN Finance B.V., and the spin-off during the year of the business of the branches in Belgium and the Netherlands to Deutsche Bank AG, Frankfurt am Main.

The following chart shows a breakdown of the income statement by the geographical markets of DB Europe GmbH.

		Germany	The Netherlands	Belgium	Total
a)	**Interest income**	73,751.35	16,428,866.09	161,678,079.92	**178,180,697.36**
b)	**Current income from equity shares and other variable-yield securities, participating interests, investments in affiliated companies**	0.00	0.00	8,882.43	**8,882.43**
c)	**Commission income**	215,000.00	11,257,720.99	44,947,615.19	**56,420,336.18**
d)	**Other operating income**	59,858.68	0.00	2,976,690.60	**3,036,549.28**

The **administrative expenses** basically relate to personnel expenses and also costs of the business operation of the foreign branches in the reporting period.

The **other operating expenses** of EUR 4,028,692.52 (prior year EUR 15,946,558.71) basically include the losses from the market valuation for a call option of the Belgian branch in connection with the Lehman Brothers insolvency.

The **other operating income** of EUR 3,036,549.28 (prior year EUR 12,656,737.85) mainly relates to income from the release of provisions.

Income taxes for the financial year amount to EUR 2,498,852.82 (prior year income of EUR 2,799,164.77). **Other taxes** (expenses), insofar as they do not relate to taxes on income, have not incurred (prior year EUR 3,947,289.55).

D. Other information

I. Contingent liabilities and other obligations

On the balance sheet date, no contingencies or other financial obligations pursuant to § 34 (2) No. 2 RechKredV existed.

II. Information on affiliated companies

Deutsche Bank AG, Frankfurt am Main is the sole **shareholder** of DB Europe GmbH. DB Europe GmbH is an affiliated company according to § 271 (2) HGB.

As of 31 December 2012 DB Europe GmbH, as a **subsidiary bank,** is included in the exempting consolidated financial statement according to § 291 (2) HGB of Deutsche Bank AG, Frankfurt am Main. This was prepared for the reporting period in accordance with the International Financial Reporting Standards (IFRS) and can be obtained from Deutsche Bank AG, Frankfurt am Main. With regard to the information on the accounting, valuation and consolidation methods, which differ from German law, used in the exempting consolidated financial statement, we refer to the Appendix to the Management Report of Deutsche Bank AG, Frankfurt am Main. Documents subject to disclosure are published in the electronic Federal Gazette (Bundesanzeiger).

III. Further information

The disclosure according to § 285 (1) (17) HGB regarding total fees charged by the principal auditor has not been provided, because the corresponding information is included in the consolidated financial statement of Deutsche Bank AG.
All transactions – including with related parties – were performed on arm’s length terms.

E. Members of the executive bodies and information on the officers

Members of the Board:

Marc Cisneros (until 2 May 2012)
Managing Director, Deutsche Bank Sociedad Anónima Española
Madrid

Carmen Herbstritt (since 2 May 2012)
Managing Director, Deutsche Bank AG
Bad Vilbel

Joerg Klauke (since 2 May 2012)
Director, Deutsche Bank AG
Bad Soden am Taunus

Frank Rückbrodt
Managing Director, Deutsche Bank AG
Frankfurt am Main

Nikolaus von Tippelskirch
Chairman
Managing Director, Deutsche Bank AG
Kronberg a.Ts.

Members of the Supervisory Board:

Stefan Krause
Chairman
Member of the Board of Deutsche Bank AG
Frankfurt am Main

Dr Christian Ricken
Deputy Chairman
Member of the Board of Deutsche Bank PGK AG
Bad Homburg

Stefan Bender
Managing Director, Deutsche Bank AG
Bad Vilbel

Dr Mathias Otto
Managing Director, Deutsche Bank AG
Liederbach am Taunus

Non-binding translation

Expenses for officers and loans to officers:

In the financial year 2012, no remunerations were paid either to members of the Board of Directors or to members of the Supervisory Board. No loans or advance payments were made to members of the Board of Directors and of the Supervisory Board in the year under review. On the balance sheet date, loans to officers pursuant to § 15 (1) (10) KWG existed of EUR 100,000.00 (prior year EUR 10,056,035,829.49).

F. Average number of employees in the year

DB Europe GmbH employed an average of 265 employees in 2012.

G. Proposal for the appropriation of profit

It is proposed to fully pay out the aggregate of net income for 2012 of EUR 14,284,425.59 and the profit carry forward from the prior year of EUR 17,973,479.02 to the shareholder.

Frankfurt am Main, 7 March 2013

Deutsche Bank Europe GmbH

The Board

[Original German version signed by:]

Nikolaus von Tippelskirch (Chairman)	Carmen Herbstritt	Jörg Klauke	Frank Rückbrodt

Non-binding translation

Management Report 2012

of

Deutsche Bank Europe GmbH
Frankfurt am Main

A. Economic environment

Numerous negative factors dampened the world's economy in 2012: the sovereign debt crisis in Europe, the fiscal cliff in the USA, geo-political risks in the Middle East and also rising raw material and food prices.

Following the drop in world economic growth to 3.8% in 2011, growth then slowed further to 2.9% in 2012. As in 2011, the slow-down mainly affected industrialized countries, which were only able to expand by 1.2%. Through a combination of real economy and financial factors, the situation also had negative effects on the economic activity of emerging countries, which saw growth cool to 4.7%. Industrialized nations are still beset by structural problems. Reduction in sovereign and private debt has had a dampening effect on growth in the euro zone in particular. Increased political uncertainty in the euro zone and the USA has also had a detrimental effect on the world's economy. The extremely expansive alignment of the monetary policy of the large central banks, which reduced key interest rates to historically low values and also introduced extensive quantitative easing measures, helped to bolster the economy.

Among the industrialized countries, the growth of the US and Japanese economies was relatively robust, with the US economy growing by 2.3% and the Japanese economy by 2.1% in 2012. As the result of increased uncertainty about the further development of the sovereign debt crisis, fiscal consolidation and a drop in export demand, the euro zone slipped into recession in 2012 with a 0.5% drop in economic activity.

The German economy weakened over the year as the result of a drop in demand for exported goods and falling investments and contracted in the fourth quarter of 2012. The German economy grew by an average of 0.7% in the year.

B. Company

Deutsche Bank Europe GmbH (DB Europe), Frankfurt am Main, is a wholly owned subsidiary of Deutsche Bank Aktiengesellschaft. Since the start of its active business operation on 5 November 2010, DB Europe has performed its own banking transactions and financial services to an extent that requires a commercially structured organization. The approved banking business and financial services include, among other things, deposit business, lending business, discount business, guarantee business, cheque collection business, underwriting and placement business, financial portfolio management, custody business, finance leasing, factoring and proprietary trading.

On the balance sheet date, the business operation of DB Europe had been scaled down compared with 2011 through the successfully completed spin-off of the Belgian and Dutch business as planned and basically consists of low volume domestic banking transactions and financial services performed on the basis of a clearly defined customer structure and restricted product portfolio. The company's domestic activities consist of deposit and lending business and also account management and payment transactions. The company is also active in the underwriting and placement sector.

In addition to performing banking transactions and financial services, the object of the enterprise and business strategy of DB Europe also includes setting up branches abroad and acquiring or taking up the business of other banks in other European countries, in particular those of the Deutsche Bank group. For this purpose, in 2012, DB Europe continued the business taken over from its branches in Belgium and the Netherlands, namely the former Deutsche Bank subsidiaries Deutsche Bank S.A./N.V., Brussels, and IFN Finance B.V., Rotterdam. The spin-off of the business from Belgium and the Netherlands to Deutsche Bank AG was filed with the Commercial Register on 26 and 30 November 2012, respectively, and the corresponding branches were closed before the end of the financial year. At the time of the report, DB Europe consists of the domestic business.

C. Business and income position

As of 31 December 2012, DB Europe records a balance sheet total of EUR 96,453,248.42 (prior year EUR 11,824,449,602.30). The reduction in the balance sheet total on the balance sheet date compared with last year is mainly due to the spin-off of the business from the foreign branches in Belgium and the Netherlands to Deutsche Bank AG, Frankfurt am Main, as of the transfer date of 31 July 2012. Therefore, only a limited comparison of the balance sheet picture with the previous year is possible.

As a result of the spin-off of the business of the branches in Belgium and the Netherlands, only a limited comparison with last year's income statement is possible.

Receivables from banks and customer

The receivables from banks include bank deposits payable on demand of EUR 95,537,583.60 (prior year EUR 774,899,166.77) and also other receivables of EUR 100,000.00 (prior year EUR 10,887,126,535.60), including accrued interest. The receivables from banks only relate to receivables from Deutsche Bank AG, Frankfurt am Main.

The company also has receivables from customers of EUR 15,500.92 (prior year EUR 63,023,528.81), including accrued interest. These receivables consist solely of private and business customers in Germany.

Securities

On the balance sheet date, no bonds and other fixed income securities (prior year EUR 14,782,960.00) and no equity shares and other variable-yield securities (prior year EUR 683,870.27) were held.

Intangible assets, tangible assets and overfunded plan assets

All intangible assets (prior year EUR 9,517,367.15), tangible assets (prior year EUR 13,182,473.34) as well as overfunded plan assets (prior year EUR 9,524,000.00) were transferred, without exception, as part of the spin-off of the business of the branch in Belgium to Deutsche Bank AG, Frankfurt am Main.

The liabilities to banks consist of liabilities payable on demand and term deposits with a total amount of EUR 1,051,572.78 (prior year EUR 736,745,796.10), including accrued interest.

Liabilities to customers amounted to EUR 30,010.81 (prior year EUR 10,546,617,539.48) including accrued interest.

Other liabilities amounted to EUR 30,835.24 (prior year EUR 24,137,276.37).

Provisions

Provisions are comprised of other provisions of EUR 282,005.05 (prior year EUR 35,581,546.18). These include provisions for the annual audit fee and for business operation.

Equity

The company's subscribed capital remains unchanged at EUR 6,020,000.00. As a result of the spin-off of the business of the branches in Belgium and the Netherlands, the company's capital reserve decreased from EUR 448,710,726.87 to EUR 56,780,919.93. The distributable profit for the financial year of EUR 32,257,904.61 (prior year EUR 17,973,479.02) basically originates from the foreign branches. The main income components are interest income of EUR 178,180,697.36 (prior year EUR 161,979,303.91) and also commission income of EUR 56,420,336.18 (prior year EUR 60,121,677.78), basically offset by interest expenses of EUR 110,945,190.57 (prior year EUR 93,144,000.77), commission expenses of EUR 5,448,803.99 (prior year EUR 13,935,829.34) and administrative expenses of EUR 96,252,366.97 (prior year EUR 84,532,984.48).

The following chart shows a breakdown of the income statement by the geographical markets of DB Europe GmbH.

		Germany	The Netherlands	Belgium	Total
a)	**Interest income**	73,751.35	16,428,866.09	161,678,079.92	**178,180,697.36**
b)	**Current income from equity shares and other variable-yield securities, participating interests, investments in affiliated companies**	0.00	0.00	8,882.43	**8,882.43**
c)	**Commission income**	215,000.00	11,257,720.99	44,947,615.19	**56,420,336.18**
d)	**Other operating income**	59,858.68	0.00	2,976,690.60	**3,036,549.28**

Events after the balance sheet date

No events of particular importance that significantly affected the asset, financial and income position of DB Europe occurred after the balance sheet date.

D. Risk report

The aim of the overall bank management system is the sustained maximization of the income potential in the defined market environment while controlling annually pre-determined risk/income ratios and acquiring the necessary equity to achieve this.

DB Europe GmbH is exposed to credit, market, liquidity, operational, reputational and general business risks. The **identification, monitoring and management of all the risks** of DB Europe GmbH are included in the group-wide risk management framework of the Deutsche Bank Group. To monitor and manage these risks, DB Europe independently applies the appropriate instruments for quantitative variables and measuring instruments of the Deutsche Bank group. The activities of Deutsche Bank subsidiaries taken over have no effect on risk management, because these are already integrated into the group-wide framework.

The **risk-bearing capability** of DB Europe GmbH is monitored as part of the group-wide risk management system of the Deutsche Bank Group.

Portfolio-endangering risks or risks that significantly affect the asset, financial or income position are not known at the moment. Economic and legal factors are monitored continuously in connection with future existential risks.

As of 31 December 2012 the **total capital and reserves** of DB Europe GmbH amounts to EUR 95,058,824.54. This figure includes the distributable profit of the financial year 2012 of EUR 32,257,904.61.

As a subsidiary bank of the Deutsche Bank group, DB Europe satisfies the conditions of section 2a (1) of the German Banking Act (KWG) and makes full use of the exceptions of the **"waivers"** clause. Section 2a (1) KWG allows subsidiary banks to refrain from observing the regulations of sections 10, 13 and 13a and section 25a (1) (3) (1) KWG provided that the conditions referred to in section 2a (1) KWG are met. On this basis, DB Europe is not obliged to satisfy the regulations concerning appropriate capital adequacy, major loans or the regulations for determining and hedging the risk-bearing capacity, establishing strategies, putting in place processes for the identification, assessment, management, monitoring and notification of risks. Observance and monitoring take place at group level through Deutsche Bank AG as the ultimate parent company of the group.

The risk types described above are further explained below for the last financial year and the coming years (i.e. the forecast period 2013-2014).

- **Credit risk**

  DB Europe takes **credit risks**. As of the balance sheet date, DB Europe domestic bank had granted loans totaling EUR 124,000.00, which are made up of a loan of EUR 100,000.00 to Deutsche Bank Aktiengesellschaft, three individual loans of EUR 5,000.00 each and also nine personal overdraft lines of EUR 1,000.00 each. The monitoring of the lending risks and also the link with the credit risk management system of the Deutsche Bank group is assured through the Chief Risk Officer (CRO) and through the organizational integration of the local CRM functions into DB Europe. As part of the take-up or take-over of the business operation of reputable (direct or indirect) subsidiaries of Deutsche Bank AG as part of cross-border mergers, the credit risks of the businesses taken over will usually only be taken over on a short-term basis until the planned spin-off of the operation concerned to Deutsche Bank AG by DB Europe. The risks taken over in this period are still completely subject to the regional and divisional policies and the instructions of the Deutsche Bank Group. During the financial year 2012, lending risks existed for the businesses taken over from the former Deutsche Bank subsidiaries, Deutsche Bank S.A./N.V. and IFN Finance B.V. Following the spin-off of the business in Belgium and the Netherlands on 26.11.2012 and 30.11.2012, no further lending risks existed in these countries as of the balance sheet date.

- **Market risk**

  DB Europe GmbH is taking no significant **market risks** at the moment. It is not affected by interest change risks, because, on the one hand, it does not perform any trading activities for its own account, and does not plan to do so in the future, and, on the other, possible interest change risks are hedged fully in respect of Deutsche Bank AG. As part of future cross-border mergers, DB Europe GmbH will only briefly take over the market risks of the business operations concerned. Compliance with the possible maximum limits will be regularly monitored by the Deutsche Bank Group.

- **Operational risk**

  Operational risk means the loss potential (including legal components), which may result from the behavior of employees, contractual agreements and documentation, technology, failure of the infrastructure and also catastrophes, external factors and customer relations. Operational risk does not include any business, strategic or reputational risks. The management of the operational risks of DB Europe is established with Deutsche Bank AG according to the partnership model. According to this model, the divisional Operational Risk Management functions and Group Operational Risk Management (ORM) share the responsibility for their management. Whereas Group ORM is responsible for the development of the framework, the divisional ORM functions are responsible for its implementation and the daily management of operational risks. The operational risks of DB Europe domestic bank are therefore covered by Global ORM PBC within the partnership model. No relevant damage has occurred up to now. The ORM policies of the Deutsche Bank Group continue to apply to the business transferred from the subsidiaries of Deutsche Bank AG to the foreign branches. The local ORM managers and also local operating committees are responsible for compliance with these policies.

- **Liquidity risk**

  The **liquidity risk position** of DB Europe GmbH is fully integrated into the liquidity management systems of the Deutsche Bank Group in accordance with the agreed Treasury business model, and is monitored from there. DB Europe domestic bank will not assume a liquidity risk position of its own. This will be guaranteed by the fact that deposits and loans are settled with Deutsche Bank AG in due time. After the planned cross-border mergers have been carried out, the liquidity risks in the foreign branches of DB Europe will continue to be monitored via the existing Asset and Liability Committee.

- **Reputational and general business risks**

  No significant reputational and general business risks occurred at DB Europe in 2012.

  The biggest reputational and business risk of DB Europe in coming years is the failure of cross-border merger and spin-off transactions. The feasibility of the planned transactions was investigated at an early stage by divisions of the Deutsche Bank group together with the management of DB Europe and the management teams of the other group companies concerned and also with external legal and tax advisers and detailed implementation plans were developed for each individual transaction. The Board of DB Europe has received strong support from the competent divisions of the Deutsche Bank Group and also from external legal and tax advisers. Therefore, the business risk resulting from the planned trans-border mergers can be regarded as controllable.

E. Outlook

The forecast period of the following statement primarily covers 2013 and 2014.

On the domestic market, the taking up of additional business activities, including in the underwriting and placement business, finance portfolio management and custody business is reviewed continuously. The main aim is to expand the underwriting and placement business through greater involvement in the capital market business of Deutsche Bank AG in order to compensate for the weaker income from the existing deposit and loan products on account of the generally low interest level.

In the next few years, DB Europe is also planning to continue the acquisition or taking up of the business of other banks in other European countries that are members of the Deutsche Bank Group and to set up branches. As previously, the business of the foreign branches will also not remain with DB Europe for a long time, but will be split off to Deutsche Bank AG as soon as possible following completion of the cross-border merger.

We shall continue and further expand our close cooperation with Deutsche Bank AG and its subsidiaries. No future risks are seen in the current market environment.

Frankfurt am Main, 7 March 2013

Deutsche Bank Europe GmbH

The Board

[Original German version signed by:]

Nikolaus von Tippelskirch (Chairman)	Carmen Herbstritt
Jörg Klauke	Frank Rückbrodt

Non-binding translation

Auditors’ Report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Deutsche Bank Europe GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2012. The maintenance of the books and records and the preparation of the financial statements and management report in accordance with German commercial law are the responsibility of the bank's management. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with sec. 317 of the German Commercial Code and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Auditors [Institut der Wirtschaftsprüfer]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the bank and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on our audit findings, the financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German commercial law and German principles of proper accounting. The management report is consistent with the financial statements and, as a whole, provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 7 March 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Beier	Pötschulat
German Qualified Auditor	German Qualified Auditor